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CENTRAL INTELLIGENCE AGENCY
Office of National Estimates

18 December 1950

SUBJECT: ~~TERMS OF REFERENCE FOR NIE 10: COMMUNIST CHINA~~
~~(As revised 15 December 1950)~~

(1)
The Problem: →

To estimate the outcome of the struggle between Communist and Nationalist China, ~~the extent to which each can control the peoples of China now and in the immediate future, the role of the Chinese Communist regime in the Soviet power complex, the courses of action which the Chinese Communists are likely to follow in relation to the USSR and the non-Communist world, and the resultant effect upon the security of the US.~~

Scope:

This estimate should answer the following broad questions:

To what extent is the People's Republic of China a unified and viable nation capable of playing a well-defined role in the Communist world? Is it capable of eliminating effective opposition within China? Is it capable of early destruction of the KMT regime on Formosa by military attack, subversion or otherwise? What is the capability of the Nationalist Government, with and without increased US aid, to resist attack, to re-invade the mainland, sustain guerrilla operations on the mainland and eventually regain control of all or a part of the China mainland? To what extent does the People's Republic of China control and/or have the support of the peoples of China, and to what extent is that control or support limited or affected by the existence of the Nationalist government?

What are the objectives of the Chinese Communist regime? To what extent are the objectives of the Chinese Communists identical with Soviet-Communist objectives?

If those objectives are not identical, does the Chinese Communist regime have either the propensity or the capability to follow an independent course of action? What are the most likely points of disagreement between the Chinese Communists and the USSR? Even if these disagreements do not bring about a Soviet-Chinese Communist break, will they weaken the ties between the two regimes?

SECRET

Outline:

I. Stability of the Chinese Communist regime.

- OIR A. Political composition.
 1. Ascendent or dominant influences in government.
 2. Role and political orientation of armed forces
 and political police.
- OIR B. Internal stability.
 1. Extent of pacification of opposition forces within
 mainland China.
 2. Ability of the Chinese Communist regime to control
 or hold popular support through internal security
 mechanisms or other means.
 3. Immediate economic problems and effect on political
 stability.
- G-2 C. Prospects of securing Formosa or containing the
 Nationalist government on Formosa.
 1. Chinese Nationalist military capabilities with
 and without increased US aid:
 a. To defend Formosa.
 b. To maintain organized or guerrilla forces
 on mainland of China.
 c. To conduct amphibious assault.
 2. Extent of defection or subversion on Formosa.
 3. Communist capabilities for amphibious assault.
 4. Prospects for continued and effective US pro-
 tection of Formosa.
OIR 5. Prospects of UN solution of Formosa question.

OIR II. Communist China's objectives.

- A. Aims of Chinese Communism as exemplified in actions
 and writing prior to success of revolution.
- B. Objectives which emerge from internal and external
 policies since success of revolution.
- C. Relation of above to Soviet objectives.
 1. Those which are identical with or similar to
 those of USSR.
 2. Those which appear at variance with or in con-
 flict with Soviet objectives.

SECRET

SECRET

III. Communist China's capabilities.

- G-2 A. The Soviet program of support.
- OIR B. External economic and political factors which enlarge or limit Chinese Communist capabilities.
 1. Role of overseas Chinese.
 2. Effectiveness of pressure from other Asian Governments.
 3. Vulnerability to economic warfare.
 4. Vulnerability to air bombardment and naval blockade.
- G-2 C. Immediate military capabilities, especially capabilities to execute campaigns in:
 1. Korea
 2. Indochina
 3. Japan
 4. Other areas of South Asia and South Seas.

OIR IV. Probable future relations between Communist China and USSR.

- A. Capabilities of Communist China for pursuing independent courses of action.
 1. Control over internal instruments of power.
 2. Degree of economic independence of USSR.
 3. Possibilities of outside aid.
- B. Conditions under which Communist China might choose to pursue an independent or anti-Soviet course of action.
- C. Developments which would weaken USSR-Chinese ties without promoting open break.
- D. Degree to which USSR would be willing to adjust differences in interest of maintaining partnership.
- E. Conditions or developments which would tend to strengthen Chinese ties with the USSR.
- F. Conclusions as to likelihood of joint policy or conflict.

Reserved V. Probable USSR-Chinese intentions and courses of action likely to be followed in 1951-52 vis-a-vis:

SECRET

- A. Korea
- B. Formosa
- C. Hong Kong and Macao
- D. Southeast Asia
- E. Japan
- F. India and other middle-of-the-road powers
- G. East-West power struggle generally

G-2 Annex

Detailed analysis of Chinese Communist immediate military capabilities to execute campaigns in:

- 1. Korea
- 2. Indochina
- 3. Japan
- 4. Other areas of South Asia and South Seas.